

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
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Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

SMALL MINING OPERATIONS 2006 PROGRESS REPORT
January 1, 2006 to December 31, 2006

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: S270110
2. Mine Name: High Desert
3. Name of Operator/Permittee: GM & S LLC

Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.

4. Mine Location: SEC. 31 T15S R10W SLB&M
5. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material:

Gross Ore Mined NONE Tons, or yd³

Waste Material Moved NONE Tons, or yd³

New Disturbance NONE Acres during 2006

Area Reclaimed NONE Acres during 2006

Total Disturbed Area NONE Acres*

Was the ore shipped off site? If not, where is the ore located? NO activity

Where is the waste located? NO activity

*Total life of mine disturbance to the end of 2006.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

NO activity
mine is still in proposed status

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): DOUGLAS A SMITH

Title of Operator: CEO

Signature of Operator: Douglas A Smith

Date: Jan 29 07

RECEIVED

JAN 31 2007